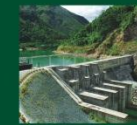




CUSTOMER SERVICE



EMPLOYEE COMMITMENT



ENVIRONMENTAL RESPECT



OPERATIONAL EXCELLENCE



BERKSHIRE FINANCIAL STRENGTH OWNERSHIP

2014 Summer Preparedness

Illinois Commerce Commission
Electric and Gas Policy Session
May 14, 2014



MidAmerican
ENERGY

OBSESSIVELY, RELENTLESSLY **AT YOUR SERVICE®**

Outline

- Demand and Capability
- Delivery and Customer Response
- Energy Efficiency
- Gas / Electric Challenges
- Conclusions

Peak Demand

2014

- Net peak demand forecast
 - 4,575 MW for normal weather
 - 4,881 MW for worst-case, extreme-weather forecast

2013

- Actual net peak demand
 - 4,659 MW on August 28, 2013 (no load reductions due to direct load control and interruptible programs occurred at the time of the peak)

2011

- All-time net peak demand
 - 4,752 MW on July 19, 2011

Reserve Capability

2014

- Normal weather demand: 4,575 MW
 - Reserve capability is 830 MW or 18.14%
- Extreme weather demand: 4,881 MW
 - Reserve capability is 524 MW or 10.74%

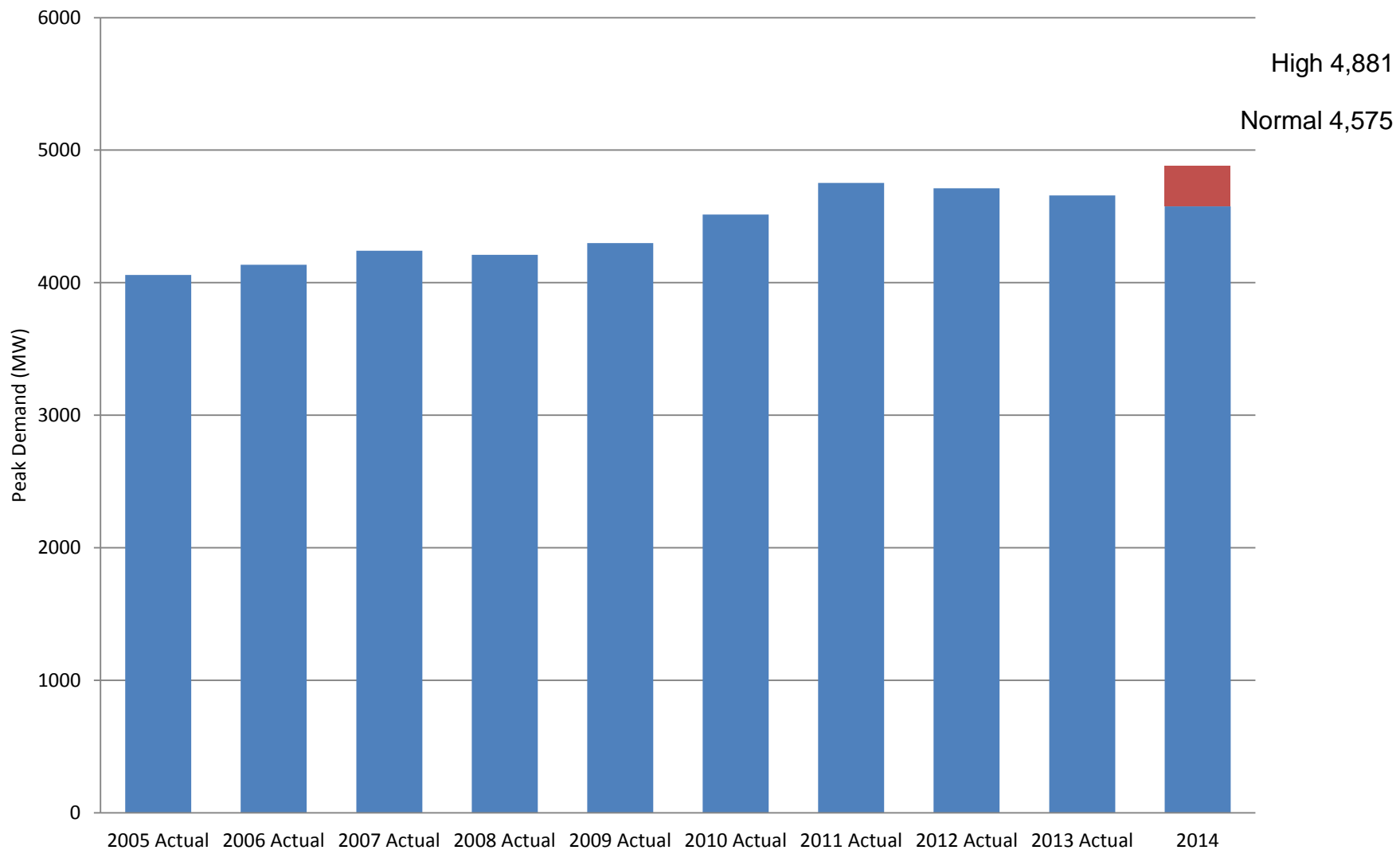
2012

- Actual net peak demand: 4,659 MW
 - Reserve capability was 753 MW or 16.16%

Available Resources

- Net capability: 5,405 MW
 - Owned generation: 5,395 MW
 - Coal, gas, nuclear, oil, wind, hydro
 - Large coal-fired units are jointly-owned with municipals and cooperatives
 - Purchases: 69 MW
 - Less sales to other utilities: 144 MW
- Demand-side management: 330 MW
 - Direct load control: 61 MW
 - Interruptible demand: 270 MW
 - Includes 85 MW with backup generation designated as capacity resources in MISO

Historic Peak Demand Forecasts



Delivery and Customer Response

Transmission Loading

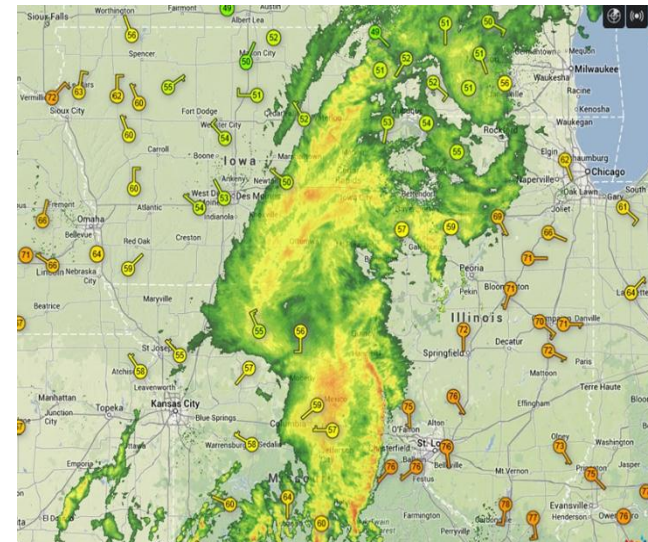
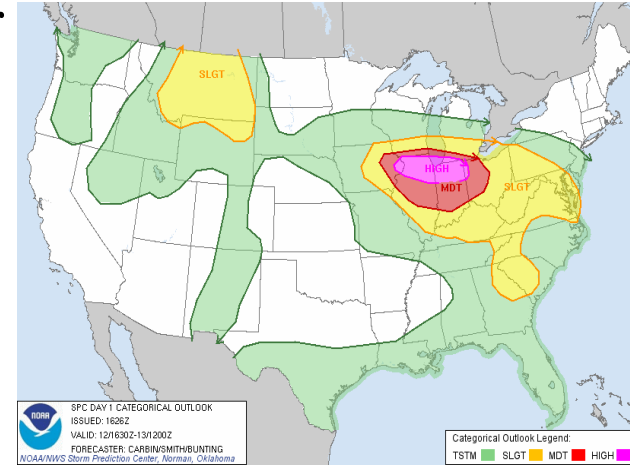
- MidAmerican expects its system to perform well
 - No facilities expected to load above normal ratings for system normal conditions at both expected system peak and worst case summer peak
 - No transmission or sub-transmission facilities expected to load above normal ratings for single contingency events
 - Operating procedures would be utilized to prepare for potential issues from certain double contingency events
 - MISO would use congestion management tools including re-dispatching generation and/or calling for transmission loading relief

Adequate Transmission Capability

- MidAmerican does not expect any limitations on its ability to serve its customers or any ARES and RES customers for the summer of 2014
- MidAmerican continues to experience occasions of significant west to east flows across the transmission system
 - MISO flowgates in the Quad Cities and Galesburg areas limit transmission service reservations between Illinois and Iowa to reduce the possibility of overloading transmission facilities

Storm Preparedness/Response

- Daily and extended forecasts monitored for severe weather threats (ice, wind, thunderstorms)
- Pre-storm calls held to discuss system risks based on forecast and appropriate measures
 - Additional on-call crews, standby crews and remote contract resources contacted
- Radar monitored 24x7 by electric system operators for approaching weather threats
- Additional positions added based on post storm reviews & lessons learned
 - Emergency Preparedness Manager
 - Distribution Control Training Coordinator
 - 6 additional Distribution Operators



Storm Preparedness/Response

- Pending magnitude and scope of impacts, initiate one or more of the following:
 - Local and remote storm centers opened to dispatch field resources
 - Remote company field resources and contract resources dispatched to impacted areas
 - Wire watchers and wire clearing crews (based on volume of wire down calls)
 - Request Mutual Assistance, Berkshire Hathaway Energy resources for major events
- Status calls throughout event to assess progress, resource needs and to communicate estimated time of restoration
- Post storm reviews/lessons learned – updates to policies and procedures

Outage Communications

- MidAmerican delivers outage communication through a variety of sources:
 - Radio and television advertising
 - Social media: safety tips and real-time outage tips
 - Earned media: safety news releases and live interviews
 - Web communications: safety tips and information
 - Outage Watch web page being updated, includes availability of individual outage information after login
- *Who to Call* information is provided during outages:
 - Front page of www.midamericanenergy.com
 - Listed in all news releases and key messages during interviews
- During significant outages and storms, MidAmerican buys real-time advertising to warn of the down-line dangers and who to call if someone encounters a downed line

Vegetation Management

- Three year trim cycle for distribution system clearances
- Annual electric transmission inspection and remediation program
- Spring and fall bill insert safety messages
- 17.7% of all Illinois customer outage minutes in 2013 were tree related (excludes major storm events)
 - Customer outage minutes due to trees were down 10.9% in 2013 compared to 2012

NESC Corrective Action Plan

- In June 2008, per ICC order, MidAmerican initiated a 4-year inspection program of all circuits to identify issues with the National Electrical Safety Code guidelines
- All NESC inspections were completed in December 2011, and all issues on company-owned equipment were corrected by the end of 2012
- During the inspections, MidAmerican also discovered 7,030 instances where the attachment point for customer-owned electrical equipment would have to be changed to meet NESC guidelines
- Currently 6,756 customer issues have been resolved
- MidAmerican's goal is to have all of the customer-owned issues resolved by the end of 2014
- MidAmerican is inspecting all distribution circuits on a 4-year cycle

Energy Efficiency

Energy Efficiency

- New Five-year energy efficiency plan for Illinois approved - Jan 1, 2014 – December 31, 2018
- Most costs are recovered via an energy efficiency adjustment clause – now shown separately on customers' bill
- In 2013, 4,705 unique bill accounts received rebates totaling \$2,344,018
- Total Illinois spending in 2013 was ~ \$3.5 million
- Gross Illinois savings in 2013 were:
 - 5,876 MWh and 18 MW for electric demand
 - 316,611 therms and 2,665 peak therms for gas

Gas / Electric Challenges

Gas / Electric Challenges

- This winter managed with coal and wind resources, future years will be more dependent on gas; infrastructure reliance
- MidAmerican will continue to maintain firm pipeline capacity contracts for its combined cycle generation
- Increased storage injections required for the coming winter
- New gas fired generation may require substantial interstate pipeline investments

Conclusions

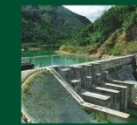
- Load and Capability
 - 2014 reserves nearly 11% for extreme weather conditions
- Delivery and Customer Response
 - Transmission ratings, operating procedures and contingency planning in place; vegetation management program working
- Energy Efficiency
 - Five year plan in place; separate item noted on customers bills
- Gas / Electric Challenges
 - This winter managed with coal and wind resources, future years will be more dependent on gas; infrastructure reliance
 - Firm pipeline contracts will continue
 - Increased storage injections required for the coming winter



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